

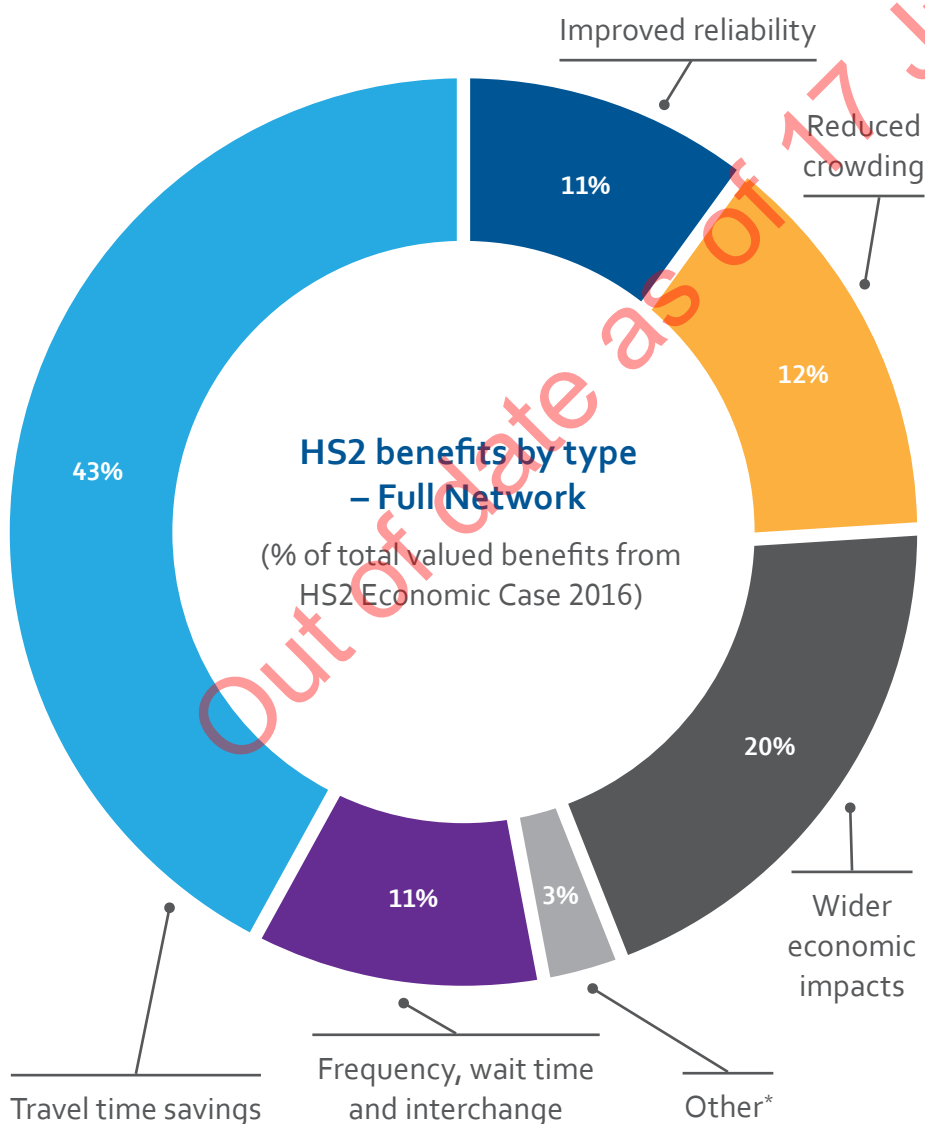
## HS2 represents high value for money

The Economic Case assesses the scheme's **value for money** in the use of taxpayers' money.

The analysis considers the extent to which the scheme's **benefits** outweigh its **costs** to ascertain whether it represents a worthwhile investment of public funds.

HS2 will be the largest infrastructure investment project in Europe with a budget of **£55.7 billion** over the next two decades (including contingency).

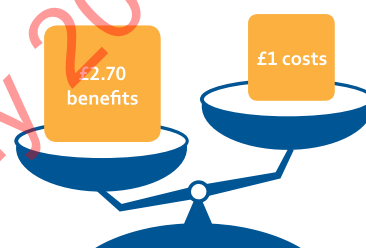
## The benefits of HS2 are not just about speed



\*Other includes improved access, road network benefits, and reduced carbon emissions.

## HS2 represents HIGH value for money with a Benefit Cost Ratio of 2.7

This means that the **benefits will outweigh the costs**, with HS2 expected to deliver **£2.70** worth of benefits for every **£1** spent.



Source: HS2 Economic Case (2016).  
(BCR includes Wider Economic Impacts)

## How is the assessment undertaken?

The approach used for assessing value for money in the Economic Case is a Cost Benefit Analysis, which:

- places a monetary value on both benefits and costs so that they can be fairly compared, and a judgement made on whether the benefits to society exceed the costs
- compares a future world with HS2 with a future world without HS2, and also considers a range of alternative options
- is considered over a 60 year future time horizon from the Phase 2b opening year of 2033 - cost and benefit estimates are produced for each year, summed and then discounted (so that less value is attached to benefits and costs that occur far into the future).

In monetising these costs and benefits, HS2 follows guidance set out by HM Treasury (Green Book) and by the Department for Transport (known as WebTAG). These outline how we should approach this analysis – including what benefits and costs we do and don't include in the analysis and how we value them.

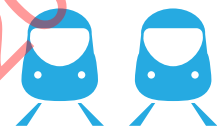
More than half of the benefits from HS2 come from:



**reduced crowding on trains**



**improved reliability**



**increased frequency of services**



**reduced waiting and interchange times**



**benefits to road users**



**reduced carbon emissions**



**'Wider Economic Impacts'**  
including improvements in connectivity, productivity and access to skills and markets.

Risk Analysis – Distribution of Benefit-Cost ratios (HS2 Full network)

